

VZCZCXYZ0005  
RR RUEHWEB

DE RUEHEG #2221 3351323  
ZNR UUUUU ZZH  
R 011323Z DEC 09  
FM AMEMBASSY CAIRO  
TO RUEHC/SECSTATE WASHDC 4358  
INFO RUCPDO/DEPT OF COMMERCE WASHDC  
RUEATRS/DEPT OF TREASURY WASHDC  
RUEHRC/DEPT OF AGRICULTURE WASHINGTON DC

UNCLAS CAIRO 002221

SIPDIS

STATE FOR NEA/ELA

E.O. 12958: N/A  
TAGS: [ECON](#) [EINV](#) [EFIN](#) [ETRD](#) [EAGR](#) [ENRG](#) [PGOV](#) [EG](#)  
SUBJECT: EGYPT'S ECONOMY: December 1 PRESS ROUND-UP

11. (U) The following are notable economic news stories that appeared over the past week in the Egyptian press:

-----  
Cement Producer Requests Ending Export Ban  
-----

12. (U) The Lafarge Company, a large multinational firm with a branch in Egypt, announced that it will ask the Ministry of Trade and Industry to end the export ban on cement if demand and sales in the local market remain at current levels during January and February 12010. Hisham Ragab, the Assistant Minister of Trade for legal affairs, hinted that the Ministry might cancel the ban if local demand continues to decline and the available reserves increase. Cement sales have dropped due to the slowdown in new construction projects since the summer (Al Shorouk, Al Mal, 11/25/2009, 11/24/2009, 11/22/2009).

-----  
New Draft Law for Public-Private Partnership Program  
-----

13. (U) The Ministry of Finance will present to the Cabinet of Ministers a draft law regulating the Public-Private Partnership (PPP) program. Pending the Cabinet's approval, the draft law will be referred to the Parliament for discussion and ratification. Minister of Finance Youssef Boutros Ghali stated that the law is designed to be a tool for regulating joint infrastructure projects between the public and private sectors (Al Ahram, Al Mal, Al Masry Al Youm, 11/24/2009).

-----  
GOE Considers Extending Sugar Duty Exemption  
-----

14. (U) The Ministry of Trade and Industry is studying the possibility of extending the customs duty exemption on sugar imports beyond December 2009. Sayed Abul Qumsan, Senior Advisor to the Minister of Trade and Industry, stated that the government will extend the exemption only if local sugar production fails to increase to a level that meets demand (Al Shorouk, 11/23/2009).

-----  
Cost of New Health Plan Estimated at \$6.8 Billion  
-----

15. (U) Minister of Health and Population Hatem El-Gabaly estimated that the proposed new health insurance system will cost LE 37 billion (US\$6.8 billion), with the government paying for LE 30 billion (US\$5.5 billion) and private citizens and business paying for the rest through subscription fees. The proposed law was described by President Mubarak as a universal coverage plan in his recent address to Parliament (Al Ahram, 11/25/09).

-----  
Current Account Deficit Rises by 50%  
-----

-----  
¶6. (U) The Central Bank of Egypt released new statistics for Q3 2009, revealing that Egypt's current account deficit rose by 50%, climbing to \$1.5 billion from \$1.0 billion in the same quarter in ¶2008. Declining tourism, falling Suez Canal revenues, and the decrease in Egyptian exports were cited as the main reasons for the increase (Al Masry Al Youm, Al Ahram, Al Alam Al Youm, 11/25/09).

-----  
Egypt Plans Solar Power Plant for 2010  
-----

¶7. (U) Speaking to reporters in India, Minister of Electricity Hassan Younis announced that Egypt's first solar power plant will be operational by the end of 2010, with a 140 megawatt capacity. In a meeting between Minister Younis and Jerzy Buzek, the President of the European Parliament, Buzek expressed the European interest in purchasing electricity generated by solar energy in North African countries, including Egypt (El Ahali, 11/23/09, 11/25/09).

TUELLER